### 11/8/78 [1]

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo.	Moore & Eizenstat to Pres. Carter, w/attachme	- 0	A
Cabinet Summaries	H. Brown to Pres. Carter 3 pp., re: Defense activities OPENED 8/13/93	1 <del>1/3/78</del>	_A_
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### THE WHITE HOUSE WASHINGTON

rick/bill--

jody disagrees....said he'd talk to ham or stu...you may want to touch base with him.

--ssc

## CONFIDENTIAL EYES ONLY

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O Ø31753Z NOV 78
FM THE THE WHITE HOUSE
TO SUSAN CLOUGH FOR THE PRESIDENT
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9:55 AM P.S. 3 NOV 78

CONFIDENTIAL EYES ONLY WH81489

NO VEMBER 3. 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE STU EIZENSTAT

SUBJECT:

TAX BILL

WE RECOMMEND, AS DOES THE VICE PRESIDENT, THAT YOU SIGN THE TAX BILL ON SUNDAY OR MONDAY. ALTHOUGH YOU HAVE ALREADY ANNOUNCED YOUR INTENTION TO SIGN THE BILL, YOUR ACTUAL SIGNATURE WILL GENERATE ANOTHER ROUND OF MAJOR STORIES ABOUT THE TAX CUTS IN JANUARY. WE BELIEVE THOSE STORIES SHOULD PROVIDE AN ADDITIONAL BOOST TO DEMORATIC CANDIDATES ACROSS THE INDUSTRY.

IF YOU AGREE, WE WILL HAVE THE TAX BILL, AND ACCOMPANYING MEMOS, DELIVERED TO CAMP DAVID OVER THE WEEKEND.

...AGREE

... DISAGREE

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"DETERMINED TO BE AN ADMINISTRATIVE MARKING CANCELLED PER E.O. 12356, SEC. 1.3 AND ARCHIVIST'S MEMO OF MARCH 16, 1983"

EVES CALV

## THE WHITE HOUSE WASHINGTON

### 11/8/78

### Zbig Brzezinski

The attached was returned in the President's outbox and is forwarded to you for your information and appropriate handling.

Please forward a copy of the DOD report to Secretary Brown.

Rick Hutcheson

cc: The Vice President Hamilton Jordan

### SECRET



## THE SECRETARY OF DEFENSE WASHINGTON, D.C. 20301

Harold

November 3, 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense

(October 28 - November 3, 1978)

<u>Éharles Duncan's Trip to the Mideast:</u> Charles returns November 4 from his trip to Iran, Saudi Arabia, Kenya, Sudan, and Great Britain. In his meeting with President Moi and Minister of Defense Gichuru of Kenya, Charles discussed the security situation in the Horn of Africa, Kenyan perceptions of the Somali threat, U.S. arms sales policy toward Somalia, and future U.S.-Kenyan military sales programs. In Sudan he met with President Nimeiri, who reaffirmed his support for the Camp David agreements. President Nimeiri also expressed concern about growing Soviet influence in the region, and urged us to develop a counter-strategy before Soviet presence leads to a major crisis in Africa; he suggested several areas where U.S. assistance would be useful, including radio and television broadcasting, and some military items (APCs, engineering equipment, affillery).

FY 1979 Supplemental Budget Request: I am completing review of items to be included in the DoD FY 1979 supplemental budget. I anticipate that the total will be approximately \$2.1 billion, including about \$700 million for shipbuilding, depending on which ships are finally selected; \$450 million for strategic items, including funds for a good start on the MX program; and the remaining \$1 billion for readiness, NATO-related items, and some offsets for overseas dollar adjustments. I expect to send the supplemental request to Jim McIntyre for processing early next week; DoD and OMB have already discussed the contents at staff level.

<u>Visit with Crown Prince of Iran:</u> In my meeting with Ambassador Zahedi and the Crown Prince I reaffirmed our government's strong support of the latter's father.

MATO AWACS: Now that the FRG Cabinet has agreed to seek Bundestag approval for German participation in the NATO AWACS program there is a good chance that the NATO Defense Ministers will agree at the Defense Planning Committee meeting in early December to begin acquisition of an Alliance-owned and Coperated force of eighteen AWACS. The proposed German share of the \$1.85 billion program is \$560 million and our proposed share is \$770 million. I expect Canada, the third major procurement partner, to agree sometime in November to its proposed share of \$180 million. Getting the program agreed has taken eighteen months, and we're not out of the woods yet, but the prospects are better now than ever before.

DECLASSIFIED

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Classicial :-

E.O. 12356, Sec. 3.4

PER 3 5 43 DOD HYRE MR-NUC-92-77

BY NARS, DATE 7 21 13

SECRET

Mobilization Exercise: For the past seven weeks the Joint Chiefs have been conducting the most extensive mobilization exercise since World War II. It was designed to test the systems and procedures for full mobilization—civil and military—to support a major war in Europe. After discussing the exercise results with Dave Jones and the senior staff, I conclude that in a real mobilization and deployment to Europe we would have extremely serious planning, management and resources deficiencies, and much less time in which to correct them than ever was the case in the past. One valuable lesson of the exercise was that we need to clarify our priorities for resource allocation. I intend to assure that we use the exercise results as feedback into the programming and budgeting process, to begin correcting some of the most glaring deficiencies.

Construction in Panama: Despite our efforts, Gunn McKay's subcommittee remains opposed to the use of \$10.9 million in contingency funds for emergency construction required to implement portions of the Panama Canal treaty. Accordingly, I intend to notify McKay next week that there is sound legal justification for our action and that this Department intends to proceed with the minimum required construction on November 9.

From

Elections: At a ceremony I held at the Pentagon yesterday to confer the Distinguished Public Service Award on George Mahon, Mel Laird confided to me his prediction for net changes in Tuesday's elections: In the House, +7 Republicans; In the Senate, +1 Democrat; in Governorships, +3 Republicans.

Howld Braun

### THE PRESIDENT'S SCHEDULE

### Wednesday - November 8, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

9:30 Telephone Call to Hartford Community Anti-Inflation (5 min.) Forum. (Mr. Jerry Rafshoon) - The Oval Office.

10:00 Mr. Jody Powell - The Oval Office.

11:30 Vice President Walter F. Mondale, Admiral Stansfield (30 min.) Turner, Dr. Zbigniew Brzezinski, and Mr. Hamilton Jordan - The Oval Office.

12:00 Lunch with Vice President Walter F. Mondale - Oval Office. (60 min.)

1:30 Meeting with Governor Michael Dukakis. (Mr. Jack (15 min.) Watson) - The Oval Office.

2:00 Admiral Hyman Rickover - The Oval Office. (15 min.)

2:30 Mr. James McIntyre - The Cabinet Room. (60 min.)

TO: President Carter
THROUGH: Rick Hutcheson
FROM: Ambassador Young

SUBJECT: U.S. Mission Activities, October 27 - November 3

### UN GENERAL ASSEMBLY

The UN General Assembly and Security Council met concurrently October 31 and elected five members to the International Court of Justice to serve nine year terms beginning February 6, 1979. The five members are: Roberto Ago (Italy), Richard Baxter (U.S.A.), Abdullah Ali El-Erian (Egypt), Platon D. Morozov (USSR), and Jose Sette Camara (Brazil).

### NAMIBIA

Since Tuesday, October 31, the Security Council has been meeting at African Group request, in formal sessions on the question of Namibia. For the past ten days, the Contact Group has been consulting with representatives of the African Group to see if agreement can be reached on what should result from the Council sessions. Although the African Group says that it does not desire a confrontation with the Five, the African Group has prepared a draft resolution calling for a total trade embargo against South Africa. We have offered counterproposals but have so far not reached any agreement.

### AMBASSADOR YOUNG'S OTHER MEETINGS

10/27 - Mr. Maynes, Ambassador Leonard, Hans Blix, FM (Sweden), Ben Hammed (Tunisia), Ponchita Pierce, Atilade Atoyebi (Federal Radio Corp., Nigeria), Ambassador Thiemele (Ivory Coads), Messrs. Boisser-Palun and Diene (UNESCO); 10/29 - in San Francisco (Congresswoman Burke); 11/1 - Congressman Eckhardt; 11/3 - in South Carolina.

### CONFIDENTIAL

DECLASSIFIED

E.O. 12356, Sec. 3.4

PER 105/12 She Hare MP-INLC 92-18.

BY NARS, DATE 1127/93

## THE WHITE HOUSE WASHINGTON

Patti

Last Day - November 6

### THE WHITE HOUSE

WASHINGTON

November 2, 1978

MEMORANDUM FOR THE PRESIDENT

FROM

STU EIZENSTAT

KATHY FLETCHER

SUBJECT

Enrolled Bill H.R. 7971 - Validation of certain land conveyances and for other

purposes

Sponsor - Rep. McFall (D) California

You must decide by Monday, November 6 whether to sign or veto this bill.

### THE BILL

This bill contains eight miscellaneous provisions involving the Departments of Interior, Agriculture and Energy:

- 1. Authorizes or validates various land conveyances in California, Montana and Alaska. These are miscellaneous in nature and are all approved by the Interior Department. None involve outlays.
- 2. Reinstates nine oil and gas leases and extends the term of an additional lease. The nine leases were terminated because rentals had not been paid, but Interior informed the Congress that the reinstatements were not objectionable, contrary to longstanding policy that terminations should follow non-payment of rent. Back rent payments will be required.
- 3. Compensates two Quinault Indians for losses due to the Bureau of Indian Affairs erroneously approving land conveyances. The compensation will be approximately \$16,000. The Interior Department supported this provision.
- 4. Corrects inaccuracies in the map references for the Gospel-Hump Wilderness Area in Idaho and the Kalmiopsis Wilderness Area in Oregon (supported by Agriculture).

Be sure this led handle de expeditionshy

- 5. Authorizes water diversions from the Hunter Creek portion of the Bureau of Reclamation's Fryingpan-Arkansas Project in Colorado. A recent settlement among parties affected by the diversion and an Interior Solicitor's opinion make this provision necessary (supported by Interior).
- 6. Transfers certain geothermal resources to the City of Boise upon payment of fair market value (Interior supports).
- 7. Modifies the boundaries of the Targhee National Forest in Idaho to facilitate a desirable land exchange (Agriculture supports).
- 8. Authorizes the sale of water from within Grand Canyon National Park to the community of Tusayan, Arizona, protecting federal interests in the Park by allowing for termination of sales by the Interior Secretary when necessary (Interior has no objection).

### VOTES IN CONGRESS

Voice vote in both the House and the Senate.

### ARGUMENTS FOR SIGNING

- Nearly every provision was supported by the Administration, although the lease reinstatements was not cleared.
- The Tusayan water supply and Hunter Creek diversion provisions are politically very significant and a veto would have strong negative repercussions, particularly in Colorado.

### ARGUMENTS FOR VETO

• Failure to pay rent should result in oil and gas lease terminations.

Lagree

### AGENCY AND STAFF RECOMMENDATIONS

OMB, Interior, Agriculture and Energy recommend approval; Army and CEQ have no objection; and Justice defers to the other agencies. Senior staff have no objections and I recommend approval.

DECISION		
·	Sign H.	R. 7971
	Veto H.	R. 7971

Electrostatic Copy Made for Preservation Purposes

Last Day - November 4

THE WHITE HOUSE

WASHINGTON November 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM

STU EIZENSTAT

KATHY FLETCHER

SUBJECT

Enrolled Bill H.R. 7101 - U.S. land

claims in Riverside County, California

Sponsor - Rep. Pettis (R) California

You must decide by Saturday, November 4 whether to sign or veto this bill.

### THE BILL

This bill waives the doctrine of sovereign immunity to permit certain land occupants along the lower Colorado River in California to assert legal and equitable defenses to pending claims by the United States that the land belongs to the United States.

This bill would provide the same exception for these land occupants as was made in a 1970 statute concerning contiguous tracts involved in similar suits. Defenses which would be allowed include length of residency without interference from the government, taxes paid on the land and improvements made. To qualify, the occupants must meet rigorous criteria laid out in the 1970 statute which granted the previous exceptions.

The United States brought these cases to clarify the land ownership. Of the previous cases, one has been dismissed and the six are still pending.

The Administration opposed the bill because of concern that it might be considered a precedent. The bill is justified by the sponsors on the grounds that this exception should have been granted to all of the affected landowners in the 1970 Act and that the omissions were inadvertent.

### VOTES IN CONGRESS

Voice vote in both the House and Senate.

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ACTION

### ARGUMENTS FOR SIGNATURE

- Since the cases are similar to the cases covered by the 1970 law, it would be unfair not to allow these occupants to assert the same types of defenses.
- Strict criteria dealing with length of occupancy, payment of taxes and good-faith acquisition must be met by the landowners covered by the exception.
- The 1970 law has not created a precedent problem thus far and the Committee reports stress that this is a unique situation.

### ARGUMENTS FOR VETO

- Sovereign immunity is a critical tool for federal land management.
- The lands in question would be valuable for public purposes such as recreation and oil and gas development and the legislation makes it less likely that the United States will win the litigation.

### AGENCY AND STAFF RECOMMENDATIONS

OMB recommends approval; Interior does not recommend a veto and Justice expresses opposition but defers to Interior on a recommendation to sign or veto. Because of the equity considerations in this particular situation, I recommend that you sign the bill. Senior staff have raised no objections.

DECISION	/				
		Sign	H.R.	7101	
	· · · · · · · · ·	Veto	H.R.	7101	1

# THE WHITE HOUSE WASHINGTON 11/8/78

### Secretary Adams

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat
Bob Linder

HE WHITE HOUSE

WASHINGTON

November 7, 1978

THE PRESIDENT

STU EIZENSTAT

BILL JOHNSTON

Enrolled Bill S. 2981 - Local Rail

Service Assistance Act of 1978

Jersylvan

Jersyl

MEMORANDUM FOR:

FROM:

THE BILL

SUBJECT:

Amends federal statutes relating to local rail assistance The key provisions in the bill would:

- -- Expand the categories of branch rail lines eligible for federal rehabilitation grants. Currently only lines certified for abandonment by the ICC are eligible. This change would allow DOT to provide rehabilitation help before abandonment on lightly traveled lines (less than 3 million ton miles per year). This would allow help to be provided before irreversible deterioration has occurred.
- -- Change federal matching requirements in the branchline program. Currently assistance declines over four years from 100% to 70% and then terminates entirely. Under the new bill assistance is set at 80% for each of three years before terminating.
- -- Extend until 1980 a provision allowing rail rates to fluctuate by up to 7% without ICC approval in markets where competition exists. Until now, however, the ICC has blocked meaningful implementation of this provision by defining "market dominance" in a very broad fashion. Accordingly, we are likely to propose legislative modifications to this rule in 1979.

### THE VOTES IN CONGRESS

House - Voice

Senate - Voice

### ARGUMENTS FOR SIGNING

This bill largely reflects legislative recommendations made by the Administration. DOT anticipates that the expanded branchline program will be an important tool for encouraging needed restructuring of mid-west rail lines. Objectionable features have largely been eliminated from the bill.

### ARGUMENTS FOR VETO

None.

### AGENCY AND STAFF RECOMMENDATIONS

DOT, OMB, Agriculture and all other affected agencies recommend approval. No senior staff member recommends veto. Frank and I recommend that you sign this bill.

DECISION			
	Sign	s.	2981
	Veto	s.	2981

# THE WHITE HOUSE WASHINGTON 11/8/78

### Tim Kraft

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The Vice President Arnie Miller

1	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
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	NO DEADLINE
	LAST DAY FOR ACTION -

## ACTION FYI

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VICE PRESIDENT

EIZENSTAT
JORDAN
KRAFT
LIPSHUTZ
MOORE
POWELL
WATSON
WEXLER
BRZEZINSKI
MCINTYRE
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		SCHNEIDERS
		VOORDE
		WARREN
		WISE

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Tim- Include Luther in assessments J

October 31, 1978

MEMORANDUM TO: President Jimmy Carter

Luther Hodges called me two or three days ago and said that while he was interested in the FDIC, he would be much more interested in a recent vacancy on the Federal Reserve Board. I suggested that he get in touch with Bill Miller. He indicated that he had and he thought Bill might be favorable.

In addition, I have had several bankers in Atlanta and the southeast call recommending Luther for the Federal Reserve.

As I previously told you, Luther says he can be available after the first of the year.

CHK/b

# THE WHITE HOUSE WASHINGTON 11/8/78

Secretary Bergland Secretary Andrus Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. The signed enrolled bill has been given to Bob Linder for appropriate action.

Rick Hutcheson

cc: Stu Eizenstat
Bob Linder

### Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE

MEMORANDUM FOR

FROM

November 7, 1978

THE PRESIDENT

STU EIZENSTAT

KATHY FLETCHER

Enrolled Bill S. 2774 -- Boundary

Extension, Toiyabe National Forest,

Nevada

Nevada

You must decide by Wednesday, November 8, 1978, whether to sign or veto this bill.

### THE BILL

SUBJECT:

This bill adds approximately 34 acres to the Toiyabe National Forest in Nevada and removes an existing \$12.5 million ceiling on Land and Water Conservation Fund expenditures within the Toiyabe National Forest. The acreage covered by this bill is on the Nevada shore of Lake Tahoe and is estimated to cost \$950,000. The Administration supported this boundary extension, Agriculture notes that actual acquisition of the area will be placed in priority with other Land and Water Conservation Fund expenditures.

### VOTES IN CONGRESS

Voice vote in both chambers.

### ARGUMENTS FOR SIGNATURE

- The Administration supported this boundary extension.
- This bill is consistent with the Administration's overall efforts to protect the Lake Tahoe area through a combination of Federal and State actions.

34)950,000

### ARGUMENTS FOR VETO

None

### AGENCY AND STAFF RECOMMENDATIONS

OMB, Agriculture and CEQ recommend approval. Senior staff have raised no objections, and I recommend approval.

DECISION		
	_ Sign S. 2774	1
<i>.</i>	Veto S. 2774	

THE WHITE HOUSE WASHINGTON 11/8/78

### Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. The enrolled bill has been given to Bob Linder.

Rick Hutcheson

cc: Bob Linder

### THE WHITE HOUSE

WASHINGTON November 7, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Enrolled Bill H.R. 10898 - U.S. Railway

Association Amendments

### THE BILL

Authorizes appropriations of \$27.2 million for the U.S. Railway Association (USRA) for FY 1979. This is identical to the amount we requested. Actual 1979 appropriations for USRA are only \$23 million. USRA is the quasi-independent organization which is overseeing and assisting the consolidation of bankrupt railroads into Conrail.

In addition the bill would change current laws to allow further financial aid to be given to the Delaware and Hudson Railroad (D&H). In a compromise between House and Senate versions, the bill provides two methods of supplying this assistance.

Both of these changes would relax the tests of financial safety and future self-sufficiency that are currently required prior to approval of government loans. The difference is that one method would allow the railroad to be preserved without bankruptcy. The other would require the railroad to enter bankruptcy before further loans could be granted. Both methods contemplate continued federal assistance to keep the railroad operating.

DOT and OMB prefer to use the post-bankruptcy assistance provided in the bill to accelerate the process of restructuring the railroad. DOT intends to use only the post-bankruptcy provision even though many Northeastern representatives in Congress do not want the railroad to enter bankruptcy.

# Electrostatic Copy Made for Preservation Purposes

### THE VOTES IN CONGRESS

House: 253 - 67

Senate: Voice Vote

### ARGUMENTS FOR SIGNING

This bill provides for spending within our budget and authorizes DOT to continue to restructure bankrupt railroads.

### ARGUMENTS FOR VETO

None.

### AGENCY AND STAFF RECOMMENDATIONS

DOT, OMB, USRA and all other affected agencies recommend signature. No senior staff member recommends veto. Frank and I recommend you sign this bill. DOT and OMB recommend a signing statement pledging you to the post-bankruptcy alternative. While I agree we should go the bankruptcy route (rather than additional USRA loans to keep an effectively insolvent railroad, which has already received \$27 million in USRA loans, out of bankruptcy), I do not believe that you should personally take responsibility for this act. If you approve I will simply call Adams to relay your agreement with his proposed actions. Brock Adams should then publicly state that USRA will not provide further loans and relief will be granted to D&H only through the guarantee D&H trustee certificate in bankruptcy.

DECISION

Sign H.R. 10898 (with statement) (OMB,DOT)

Sign H.R. 10898 (without statement but with verbal communication) (DPS)

Veto H.R. 10898

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# Electrostatic Copy Made for Preservation Purposes

Last Day - November 4

Encourage bill fects
to pass to defects
without

THE WHITE HOUSE

WASHINGTON November 3, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Enrolled Bill H.R. 11580 - Shipment of Lottery Materials to Foreign Countries (sponsored by Rep. Sawyer (R) Michigan)

### THE BILL

H.R. 11580 deletes the existing prohibition on shipment of lottery-related materials to foreign countries. It would permit such shipments if the material is intended for use in a lottery authorized by the laws of the foreign country. It will avoid the necessity of a U.S. company having to open a plant in a foreign country to which it wishes to sell lottery materials.

The bill appears defective in two respects: First, because it was drawn in haste and rushed to enactment without careful review, it can be read to decriminalize more than its drafters intended. For example, it seems to permit lottery materials from a legally-run state lottery to be sent to a foreign country whether or not lotteries are authorized in such foreign country. Conversely, it could be read to allow lottery materials legal in a foreign country to be sent to a state which may not permit lotteries. The legislative history is clear that Congress intended neither of these results.

Second, it fails to exempt from the Postal Service's civil administrative sanctions the activities it decriminalizes. Although the Postal Service states that it expects to continue to apply such sanctions, it is highly unlikely that it will do so in the face of clear Congressional intent that such activities shall be permissible.

### VOTES IN CONGRESS

The bill passed the House by unanimous vote and the Senate by voice vote.

### AGENCY AND STAFF RECOMMENDATIONS

The Postal Service strongly recommends that you veto the bill. Justice agrees that there is an ambiguity but believes that "sufficient arguments are available which will enable the government to hold this legislation to its intended coverage". It recommends that you issue a signing statement making clear your understanding of what the bill would do.

We agree with Justice for several reasons. First, while there is no question about the ambiguity there is also no question about Congress' intent. Second, there is no evidence to indicate that, in the period between signing and corrective legislation, the ambiguity will become widely known or that anyone will seek to mobilize to take advantage of it. Finally, and most importantly, a technical error with apparently little potential for abuse should not serve to bar sales to foreign countries which have been negotiated by firms in anticipation of the bill.

OMB, State and Commerce recommend approval. Frank Moore, Bob Lipshutz and I recommend that you sign the bill and attached statement. Other senior staff have expressed no objection.

# DECISION Sign H.R. 11580 Veto H.R. 11580

### THE WHITE HOUSE

#### WASHINGTON

### SCHEDULED TELEPHONE CALL

TO:

Participants in the White House Forum on Inflation, Hartford, Connecticut

DATE:

November 8, 1978, 9:30 a.m. (EST)

RECOMMENDED BY:

Robert S. Strauss

BACKGROUND:

The call should be approximately ten minutes. Four minutes for opening remarks and six minutes for questions.

Administration participants in the forum include Mr. Alfred Kahn, Secretary Ray Marshall, Ms. Esther Peterson, Chairman Charles Schultze, and Ambassador Robert Strauss.

The forum is being co-sponsored by the Greater Hartford Chamber of Commerce and the University of Hartford.

### TOPICS OF DISCUSSION:

- The unemployment rate for the City of 1. Hartford has gone from 11% in January 1977 to 5.6% in August 1978. The rate for the greater Hartford area has gone from 8.3% in January 1977 to 4.3% in August 1978. (These figures were supplied by the Bureau of Labor Statistics.)
- We have had the problem of inflation in our 2. economy for a decade with an average inflation rate of 62%, and it has gotten worse in recent years.
- 3. To fight inflation, we had two choices mentioned many times.
  - -- wage and price controls which would be a complicated scheme of Federal government controls on our economic system, or
  - -- a deliberate recession, throwing millions of Americans out of work.

Both were totally unacceptable.

- 4. We chose, instead a series of voluntary wage and price standards which can only be effective if there is cooperation between government, business and labor.
- 5. The Federal Government will lead the way.
  - -- We have taken bold actions to sustain the value of the dollar in international markets:
  - -- We have pledged significant further reductions in the budget deficit;
  - -- We will reduce the size of the Federal work force;
  - -- We have placed a cap on Federal pay increases;
  - -- We are removing needless regulations, and
  - -- We will use all the powers at our disposal to make this program work.
- 6. We need the help of groups, such as those of you representing the Hartford community, today, working together, refusing to tolerate irresponsible wage and price increases, thereby giving the program a chance to work for all of us.
- 7. I would like to answer a few questions at this time.

### OUESTIONS:

There will be three questions. They will come from:

- John Driscoll, President, Connecticut State Labor Council, AFL-CIO, 9 Washington Avenue, Hamden, Connecticut 06518
- Edwin B. Bates, Chairman, Connecticut Mutual Life Insurance Company, 140 Garden Street, Hartford, Connecticut 06115
- 3. Mary M. Heslin, Commissioner, Department of Consumer Protection, State Office Building, Hartford, Connecticut 06106

### THE WHITE HOUSE

WASHINGTON November 3, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER

SUBJECT:

Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

INCOMING	WEEK ENDING 10/27	WEEK ENDING 11/3
Presidential First Lady Amy Other First Family	22,860 1,080 570 80	26,960 1,095 315 100
TOTAL	24,590	28,470
BACKLOG		
Presidential First Lady Amy Other	5,670 160 0	8,645 125 0 0
TOTAL	5,830	8,770
DISTRIBUTION OF	PRESIDENTIAL MAIL	ANALYZED
Agency Referrals	7% 56%	9%
WH Correspondence Unanswerable Mail White House Staff Greetings Requests Other	14% 6% 17%	52% 15% 5% 15% 4%
Unanswerable Mail White House Staff Greetings Requests	14% 6% 17%	15% 5% 15%
Unanswerable Mail White House Staff Greetings Requests Other	14% 6% 17% 0	15% 5% 15% 4%
Unanswerable Mail White House Staff Greetings Requests Other TOTAL	14% 6% 17% 0	15% 5% 15% 4%

cc: Senior Staff

# MAJOR ISSUES IN CURRENT PRESIDENTIAL ADULT MAIL Week Ending 11/3/78

ISSUES	PRO	CON	COMMENT ONLY	NUMBER LETTERS
Support for President's Address to the Nation on Inflation 10/24/78	48%	22%	30%	1,353
Support for Meat Import Act of 1978 HR 11545	99%	1%	0	521
Support for Amendment to HR 9937 re: Tariffs on Textile Imports	94%	6%	0	430
Support for Amendments to Rehabilitation Act of 1973 HR 12467	, 97%	3%	0	373
Support for Appointment of Sarah Weddington	3 <sup>,</sup> %	97%	0	328
Support for Proposed IRS Guidelines for Determining Tax Exempt Status of Private Schools	2%	98%	0	314
Support for Treatment of Jehovah's Witnesses in Argentina	0	100%	0	251
Support for Child Nutrition Amendments of 1978 HR 12511 (1)	98%	2%	0	151
Support for Pardon for Patricia Hearst	93%	7%	0	118
Support for Aid to Nicaragua	0	100%	0	114
			Total	3,953

### (1) SUPPORT FOR HR 12511 (98% Pro)

Emphasizing the necessity for nutrition programs for needy children, writers favor passage of the Child Nutrition Amendments of 1978.

# THE WHITE HOUSE

November 8, 1978

### Secretary Califano

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

The signed memo to Department Heads and Agencies has been given to Bob Linder, Chief Executive Clerk, for distribution.

Rick Hutcheson

cc: Bob Linder

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## THE WHITE HOUSE WASHINGTON

11/6/78

Mr. President:

Hugh Carter and Jim Fallows concur.

Rick



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE WASHINGTON, D. C. 20201

NOV 3 1978

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MEMORANDUM FOR THE PRESIDENT

The Combined Federal Campaign of the National Capital Area will close on Wednesday, November 22, less than three weeks away.

The campaign will reach between 70 and 75 percent of our \$12,500,000 goal by the end of this week. Many Federal units are doing very well and have already exceeded their goals. Although the overall picture is good, there are many Departments and Agencies whose success now is dependent upon attention and action by Department and Agency Heads. Attached is a status report as of October 27.

A memorandum from you to Heads of Departments and Agencies scheduled for delivery on Wednesday, November 8 will help greatly in assuring that top leadership will be aware of and involved in the campaign in its crucial final days.

Attachment

Oseph A. Calvidano, Jr

#### 1979 COMBINED FEDERAL CAMPAIGN

### STATUS REPORT - OCTOBER 27, 1978

		· · · · · · · · · · · · · · · · · · ·			* * * * * * * * * * * * * * * * * * * *	•	
Major Campaign Divisions	- No. Units	\$ Raised	Goals for 1979 CFC	Percent Increase in Goals	\$ Raised to Date	Percent of Goal Attained	Average Gift To Date
Executive Departments	(12)	\$ 7,522,465	\$ 8,453,400	12.4%	\$ 5,073,432	60.0%	\$ 44.15
Executive. Office	(12)	86,448	103,768	20.0%	63,662	61.3%	87.57
Executive Independent Agencies	(76)	2,984,740	3,322,010	11.3%	2,083,385	62.7%	57.24
Legislative Branch	(10)	481,798	811,014	68.3%	124,819	15.3%	58.96
Judicial Branch	(8)	31,020	37,747	21.7%	13,473	35.7%	67.36
TOTAL:	(118)	\$11,106,471	\$12,727,939	14.6%	\$ 7,358,771	57.8%	\$ 46.84

# THE WHITE HOUSE,

November 8, 1978

#### MEMORANDUM FOR THE HEADS OF

#### DEPARTMENTS AND AGENCIES

There are only two weeks left in the Combined Federal Campaign (CFC). I am writing to ask for your personal attention and involvement to ensure that your organization has taken all appropriate steps to make this year's CFC a full success.

Secretary Califano, this year's Chairperson for the CFC of the National Capital Area, has advised me that the campaign is doing well overall, but will require your involvement now to reach this year's goal of \$12,500,000.

Because the voluntary organizations of the CFC give so much support to the sick, the aged, the handicapped, the poverty-stricken and the young, I believe they deserve our very best effort. Thank you for your personal support of this important and deserving cause.

Timmey Carter

11/8/78

Alfred Kahn

The attached was returned in the President's outbox. It is forwarded to you for your information.

Rick Hutcheson

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10: The Coca Cola Company

# EXECUTIVE OFFICE MEMORANDUN

Atlanta, Georgia

No. 36

November 2, 1978

TO: OFFICERS AND DEPARTMENT HEADS, THE COCA-COLA COMPANY HEADS OF DOMESTIC DIVISIONS AND SUBSIDIARIES

As you know, President Carter announced voluntary wage/price stabilization measures in his speech Tuesday, October 24. We have issued public statements acknowledging our complete support of the voluntary wage/price guidelines outlined by the President in his speech. We are now advised that the first guidelines, rules, and regulations could be issued within the next week. We have established various Washington contacts and are assured that we will be made aware of the complete program as soon as it is available.

Meanwhile, however, in the absence of any clearly established guidelines, I am directing that all domestic non-promotional salary increases for management and other non-bargaining unit employees be suspended until we are certain that actions taken will not be contrary to the intentions of the President. I have asked that William M. Kelly, Vice President - Personnel, in the Administrative Division serve as our Corporate contact for all matters relating to wage and salary issues under the President's guidelines.

Any proposed price increases in domestic operations are to be reviewed by the Corporate Controller's Office prior to implementation to insure compliance with the guidelines. Please address pricing matters to W. Glenn Kernel, Vice President and Assistant Controller.

We are continuing our very careful surveillance of guidelines and will pass them along with interpretations as they are available to us here.

J. PAUL AUSTIN

WEDNESDAY - NOV. 8, 1978 10:45 A.M.

MR. PRESIDENT

SENATOR PERCY CALLED.

FRANK RECOMMENDS THAT

YOU CALL HIM BACK.

FRAN

# THE WHITE HOUSE

November 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE F.M./or

SUBJECT:

SEN. CHARLES PERCY

#### For your information

Senator Percy called this morning and asked that you be given the following message:

He fully understood that during your recent trip to Chicago you had a Party position to maintain and that he was in complete agreement with your actions. No matter how the election turns out, he looks forward to working intimately with you on issues of mutual concern-particularly the Middle East. He also hopes to work closely with Alfred Kahn in solving one of the greater challenges this nation faces.

If the Senator prevails, he says he is anxious to get back in harness and work with you again.

#### THE WHITE HOUSE

WASHINGTON

November 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON X

SUBJECT:

Meeting with Governor Michael Dukakis November 8 at 1:30 p.m. (Oval Office)

After the election, you spoke to Mike and invited him to come by and discuss his future plans with you. To my knowledge, Mike has not yet made any definite plans, although I think he may be considering some academic affiliation in Boston.

After you meet with Mike, I shall be meeting with him to discuss several possibilities of his acting in some advisory capacity to us on execution of the urban policy. As you know, he has been one of the most innovative governors in the country on that subject. He has specifically said to me that he would like to work with us in some way in evaluating how the urban programs work or fail to work - and how we might improve them. He is extremely interested in the work and the potential of the Interagency Coordinating Council and may be able to consult with that group in some way.

Mike and I have worked together very closely and very well during the last 22 months, and I have no doubt that he could be of great help to us if we could just define a workable role for him.

All of this discussion would be moot, of course, if he were to be offered, and to accept, a full-time position in the Administration. If the job were right for him, I am sure that Mike would like to serve in your Administration. At the same time, for family and other reasons, he is not at all eager to leave Boston.

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THE WHITE HOUSE WASHINGTON

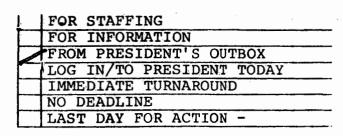
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Sorg-See Charles Percy Next Tues or weed. He will Calf you

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11/8/78

Jack Watson

The attached was returned in the President's outbox. It is forwarded to you for your information.

Rick Hutcheson

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#### THE WHITE HOUSE

WASHINGTON

November 3, 1978

Good

MEMORANDUM FOR THE PRESIDENT JACK WATSON

FROM:

SUBJECT:

 Anti-Inflation Efforts Weekly Repo

In accordance with your instructions, we are working hard to develop a strong state and local government anti-inflation initiative. We have the following underway:

- A letter from you to all Governors and selected 1. local elected officials is being prepared for your signature. We are clearing it through all the relevant offices now.
- 2. Immediately following your anti-inflation speech, we mailed the White Paper explaining the basic elements of your anti-inflation program to more than 500 state and local elected officials. Immediately following announcement of your recent steps to stabilize the dollar, I sent a mailgram to all of the same officials briefly explaining your actions and why you took them.
- Since appointed officials in the regional 3. offices can play an important role in explaining the program and its effects at the local level, I have invited the Chairpersons of the ten Federal Regional Councils to the briefing on the anti-inflation program scheduled for sub-Cabinet appointees on November 13th.

I have also sent the attached memorandum to the Cabinet asking that each member inform and direct his/her regional office heads to take a strong role in these efforts.

4. Working with CWPS and CEA staff, Gene Eidenberg is developing a specific, substantive agenda of actions state and local governments can take to curb public sector inflation at their levels.

This is a follow-up on your August request to the New Coalition to work with you in such an effort. When this program for actions at the state and local levels is cleared with the governors and other public interest group staffs, we will schedule a brief meeting for you with the elected officials who makeup the membership of the New Coalition.

- 5. We will be holding a series of meetings with state and local procurement officers to counsel them in targeting their procurement to firms that are abiding by the guidelines.
- 6. I am recommending that Jim McIntyre, Fred Kahn and Charlie Schultze meet with the fifty state budget directors to brief them on the FY 1980 federal budget and to advise and counsel them on appropriate state budget strategies that would be consistent with your budget and its anti-inflationary aims.
- 7. We are working with each of the state and local associations to ensure that their meetings over the next several months have a strong anti-inflation focus. This will be the case with the National League of Cities later this month (which you will address) and an early December meeting of the National Conference of State Legislatures. The latter is calling a special meeting of state legislative finance and budget committee chairpersons to plan anti-inflation initiatives.

These and other efforts will be a high and continuing priority for my staff.

#### THE WHITE HOUSE

WASHINGTON

November 3, 1978

MEMORANDUM FOR THE CABINET

FROM:

JACK WATSON JACK

SUBJECT:

Regional Office Involvement in the

Administration's Anti-Inflation

Effort

Each of you are, or will be, identifying specific actions within your program authority that can contribute to holding down federal expenditures and achieving more cost/effective management of existing resources. As an adjunct to this government-wide effort to control inflation, there is an important role for each agency's regional office.

It is very important that your regional office heads be fully briefed on your management decisions which are related to the anti-inflation effort. Once briefed, they should be instructed to advise appropriate constituency groups and leaders of what is being done and why. Specifically, state and local elected officials and private sector leaders should understand as fully as possible exactly what steps you are taking and how your decisions will impact on them either as program managers or as recipients of program services.

A consistent program to explain our actions will increase public understanding and support for the many difficult decision that will be made.

Although, the President, you and other senior Presidential advisors will, of course, continue to discuss and explain to the public our major policy decisions, there is no substitute for explaining the effects of those national decisions to the people who actually manage and/or are served by federal programs. The regional office appointees can -- and should -- contribute significantly to these efforts. It is our responsibility to see that they are given the necessary information and direction to do it.

11/8/78

Zbig Brzezinski

The attached was returned in the President's outbox. It is forwarded to you for your information.

Rick Hutcheson

SECURITY VIOLATIONS\_

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# THE WHITE HOUSE

November 2, 1978

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#### ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

DR. BRZEZINSKI

FROM:

HUGH CARTER

SUBJECT:

Security Violations

The President has asked that I make you aware of the following security violation(s):

Date	Name	Nature of Violation
10/3	Roger Molander	Top Secret and Secret material found on top of safe
10/4	Robert Kimmitt	Safe containing Top Secret material found open

cc: The President

#### THE WHITE HOUSE

WASHINGTON

November 2, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER

SUBJECT:

Security Violations

Attached for your information are the security violations for the month of October, 1978.

11/8/78

Attorney General Bell Bob Lipshutz Hamilton Jordan

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

cc: Tim Kraft Frank Moore

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THOMAS F. EAGLETON, MO. LAWTON CHILES, FLA. BAM MUNN, GA. JOHN GLENN, OHIO JIM SASSER, TENN. MURIEL HUMPHREY, MINN. RIGARLES H. PERCY, ILL.
JACOB K. JAVITS, N.Y.
WILLIAM Y. ROTH, JR., DEL.
TED STEVENS, ALASKA
CHARLES MCC. MATHIAS, JR., MD.
JOHN C. DANFORTH, MO.
H. JOHN HEINZ III, PA.

RICHARD A. WEGMAN CHIEF COUNSEL AND STAFF DIRECTOR United States Senate

COMMITTEE ON GOVERNMENTAL AFFAIRS WASHINGTON, D.C. 20510

November 8, 1978

CC Griffing Ham

The President The White House

Dear Mr. President:

I have just talked to Attorney General Griffin Bell concerning appointments to the two vacancies on the Second Circuit Court of Appeals.

I agree with you completely that the Federal Circuit Court should be composed of persons of outstanding merit. In previous conversations with the Attorney General, I pointed out to him that one of the outstanding Federal Judges in this country is Judge Jon Newman of Connecticut.

I am positive that any of your nominating commissions would recommend Judge Newman very, very highly on their list.

I understand that in the past you have relied on statistical analysis of court case load in determining instructions to nominating panels from multi-state circuits. In those instances you have instructed the nominating panel to consider prospective candidates only from a given state, depending upon the results of statistical analysis.

I believe a variance from this statistical analysis approach is in order in the Second Circuit because of the exceptional capability of Judge Newman. Further, Connecticut and New York City are so close geographically there would be no problem whatsoever in having a Connecticut Judge named to the Second Circuit bench sitting in New York City.

I might point out that the two Connecticut judges now on the Second Circuit Bench (Timbers and Meskill) are both Republicans. Jon Newman is a Democrat.

I respectfully urge that your instructions to the Second Circuit Nominating Panel do not preclude a Connecticut candidate from being on the recommended list the Panel presents to you.

Respectfully,

Abe Ribicoff

11/8/78

Jody Powell

The attached was returned in the President's outbox today and is forwarded to you for your information. The original was given to Jerry Rafshoon for transmittal.

Rick Hutcheson

#### THE WHITE HOUSE

WASHINGTON

November 7 , 1978

done

MEMORANDUM FOR THE PRESIDENT

THROUGH:

Phil Wise Pul

FROM:

Jerry Rafshoon

SUBJECT:

Howard K. Smith

If you have the time you might want to call Howard K. Smith or drop him a note regarding the attached commentary.

He has been very supportive on a number of issues over the last few weeks.

Toward K Sinita

COMMENTARY ABC EVENING NEWS WEDNESDAY - OCTOBER 25, 1978

It was predictable that President Carter's anti-Inflation plans would be met with doubt, gloom, and snide derogations -it's become almost a national habit. I beg to suggest that the reaction is grossly wrong.

The proper response is that of the sergeant in the mess hall: don't spit in the soup; you've got to eat it, not the chef. The focus is false to say if it doesn't work, Carter's goose is cooked. The right focus is, if it doesn't work your goose is cooked. It's your Inflation that's at stake.

The President's measures are good. One example: his plan for deregulation has shown its price-lowering benefits in the airline industry. Regulation shows its vice in shipping: our ten shipping lines that are regulated are barely making it. Our three shipping lines that shun regulation and compete by lower prices with the world's lines are all profitable.

Two things are now needed. Let Congress pass Senator Muskie's Sunset Bill and phase out scores of out-dated legislated subsidies -shipping is one example of many -- and cut billions out of the federal deficit.

And, two, give the President's plans a genuinely honest try. We may be surprised at -- not Carter's -- but our success in cutting Inflation and saving our social fabric it threatens.

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#### THE WHITE HOUSE

WASHINGTON

November 7 , 1978

done

MEMORANDUM FOR THE PRESIDENT

THROUGH:

Phil Wise PW

FROM:

Jerry Rafshoon

SUBJECT:

Howard K. Smith

If you have the time you might want to call Howard K. Smith or drop him a note regarding the attached commentary.

He has been very supportive on a number of issues over the last few weeks.

ABC/News 1124 Connecticut Avenue N.W. Washington, D.C. 20036 Telephone 202 393-7700 ...

Howard K Smith

COMMENTARY ABC EVENING NEWS WEDNESDAY - OCTOBER 25, 1978

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Thouse the you he success in threatens.

Thank you he you, A more features ful.

11/8/78

#### Secretary Califano

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Zbig Brzezinski Jim McIntyre

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	IMMEDIATE TURNAROUND
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Mr. President:

Vance and Brzezinski have no comment. Jim McIntyre has no objection.

Rick/Bill



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE WASHINGTON, D. C. 20201

OCT 26 1978

ok T



#### MEMORANDUM FOR THE PRESIDENT

The Israeli Minister of Education and Culture, Zevulun Hammer, visited the Department of Health, Education, and Welfare last May in order to meet with Commissioner of Education Ernest Boyer and me. In our conversations we affirmed a mutual interest in strengthening cooperative relations in education between HEW and his Ministry. Over recent months, we have consulted with the Department of State and the International Communication Agency, and worked with the Israelis, to develop a memorandum of understanding that outlines ways in which to make a reality of this shared interest.

We now have a draft text of the memorandum of understanding, which I would like to co-sign with Minister Hammer on my visit to Israel November twelfth through sixteenth (as part of a trip that will also include Poland and Egypt). The draft text of the main body of the memorandum of understanding is attached. It focuses primarily on education of the disadvantaged and education of the handicapped. These are areas in which the two countries have similar problems, commitments, and opportunities, and in which Minister Hammer and I feel that we both have much to gain from carefully planned cooperation.

The main body of the memorandum of understanding will be supplemented by an Annex that will contain specific projects and exchanges to implement the memorandum of understanding. The content of these projects is well advanced within both governments; but final agreement on them awaits your approval of our concluding the memorandum of understanding. The President Page two

HEW expenditures on cooperative activities under the memorandum of understanding would be between \$250,000 and \$300,000 in Fiscal Year 1979, of which perhaps 60 percent would be for activities in Israel and the remaining 40 percent on activities in the United States. Similar levels are projected for Fiscal Years 1980 and 1981. The memorandum of understanding would initially be in effect for a three-year period, and would be subject to renewal for further three-year periods if agreed by both parties.

The authorities for our expenditures are contained in the Early Childhood Education Act, P.L. 95-49, and the Mutual Educational and Cultural Exchange Act, P.L. 87-256, section 102(b)(6). The FY-1979 and further year funds are already included in the budget levels as presently approved or already projected under these authorities, and will not require the commitment of any additional resources. The intent of the memorandum of understanding is that it be fully reciprocal and mutually beneficial, and we will undertake only cooperative activities that serve our own program objectives and authorities.

CC: The Honorable

James T. McIntyre, Jr.

#### MEMORANDUM OF UNDERSTANDING

Recognizing that the peoples of Israel and the United States share similar, deeply held values about life, freedom, the dignity of the individual and the search for knowledge;

Desiring to encourage greater understanding and further strengthen relationships between our two countries;

Believing that the expansion of mutually beneficial exchanges and co-operation in education will contribute to the achievement of these aims:

The parties to this agreement have agreed as follows:

#### ARTICLE I : GENERAL PRINCIPLES

The parties shall enhance and expand co-operative efforts in education according to the following general principles:

- A. Exchanges and other co-operation will be encouraged and developed in selected areas of education on the basis of equity, mutual benefit and full reciprocity;
- B. Such exchanges and co-operative efforts shall be subject to the applicable laws and regulations of the respective countries; within this framework the parties will make every effort to promote facilitative conditions for the fulfillment of exchanges and other co-operative efforts;

- C. The activities undertaken as part of this Memorandum will be conducted by the relevant government agencies in each country with the advice and co-operation of the U.S.-Israel Education Foundation, as appropriate;
- D. The co-operation provided for in this Memorandum shall seek to emphasize new areas for exchanges and joint activities, avoiding duplication of existing programs in the field of education.

ARTICLE II: AREAS OF PRINCIPAL ACTIVITY TO CARRY OUT THE PURPOSES OF THIS MEMORANDUM

The parties agree to give principal attention to the following general areas of activity:

- A. Encouragement of exchanges and other co-operation including research concerning improvement in early child-hood education;
- B. Development, research into and evaluation of new programs for the education of the economically disadvantaged and the handicapped, at the early childhood, elementary and secondary levels;
- C. Development of curriculum, teaching techniques and instructional materials dealing with the history, culture and society of each country, at the elementary and secondary level;
- D. Encouragement of public and private co-operation for the exchange of secondary school teachers of the

public school systems of the two countries;

E. Encouragement of new, direct relationships between institutions and individuals in the two countries in support of the activities included in this Memorandum.

#### ARTICLE III : ORGANIZATION & CO-OPERATION

- 1. The executive agency which will be responsible for fulfilling the terms of this agreement for the United States of America shall be the Department of Health, Education and Welfare, coordinating as appropriate with the Department of State, and the International Communication Agency. The executive agencies responsible for Israel shall be the Ministry of Education and Culture and the Ministry of Foreign Affairs.
- 2. The representatives of these agencies (and others as appropriate) will meet periodically to review the implementation of exchanges and co-operation and to develop specific programs embraced by this Memorandum. The preparation of such meetings, their timing and their agendas, will be established through diplomatic channels.

#### ARTICLE IV: IMPLEMENTATION

To implement the various provisions of this Memorandum, the parties have established a program of exchanges and co-operation for the two-year period 1979-80, which is annexed to and constitutes an integral part of this Memorandum.

#### ARTICLE V : FINANCING

Both parties agree that the financing of the programs provided for in this Memorandum shall be drawn from the funds allocated in the budget for their respective agencies, subject to the availability of funds and the laws and regulations of both countries. Each side shall bear the costs of its participation.

#### ARTICLE VI : TERM OF MEMORANDUM

This Memorandum shall enter into force upon signature and remain in force until . Extension for successive periods will require agreement of both parties.

Done on , in duplicate, in the English and Hebrew languages, both texts being equally authentic.

FOR ISRAEL

FOR THE UNITED STATES OF AMERICA

Zevulun Hammer, Minister of Education and Culture

Samuel W. Lewis, American Ambassador

Joseph A. Califano, Secretary of Health, Education and Welfare

#### WASHINGTON

DATE:

27 OCT 78

FOR ACTION: SECRETARY VANCE JIM MCINTYRE No shiper

ZBIG BRZEZINSKI

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

JACK WATSON

SUBJECT: CALIFANO MEMO RE MEMO OF UNDERSTANDING BETWEEN

ISRAEL AND US ON EDUCATION

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)

BY: 1200 PM TUESDAY 31 OCT 78

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



#### **EXECUTIVE OFFICE OF THE PRESIDENT**

#### OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

2 NOV 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

James T. McIntyre, Jr.

SUBJECT:

HEW Education Activities with Israel

Secretary Califano has referred to me under the future commit—
ment is procedure a copy of his memo of October 26 to you
proposing certain education activities with the Israeli Ministry
of Education. HEW agrees it will absorb the additional \$300,000
costs within its current 1979 appropriations and within its
out—year budget planning ceilings. We have ascertained that the
International Communication Agency has no objection to HEW
initiating this exchange activity. We also have reviewed the
proposal and have no objection.

# THE WHITE HOUSE WASHINGTON

Nov. 8, 1978

Secretary Vance Secretary Blumenthal

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat Jim McIntyre

ACTION Last Day - Wednesday, November 8, 1978

THE WHITE HOUSE

WASHINGTON

November 7, 1978

THE PRESIDENT

STU EIZENSTAT

CC: Cy & Mike.

Ca: Cy & Mike.

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MEMORANDUM FOR:

FROM:

SUBJECT:

Enrolled Bill H.R. 9251 - Tax Treatment of Americans Abroad Sponsor - Rep. Jones (D) Oklahoma

#### THE BILL

The enrolled bill would revise the tax treatment of Americans living abroad. The basic elements of the bill include:

- (1) special deductions for home-leave travel and moving expenses and for the increased cost of foreign housing and education;
- (2) a "cost of living" deduction for living costs (other than for housing and education) in excess of those which would be incurred in the most expensive American city;
- (3) a \$5,000 annual deduction for Americans living in designated hardship areas; and
- (4) as an alternative in lieu of all the above deductions, a \$20,000 exclusion from income for Americans living in substandard "camps" in hardship areas.

The Administration's proposal would have included only item (1) and would have involved a tax expenditure of \$320 million in FY 1979. The enrolled bill will cost \$478 million in FY 1979, \$158 million above the Administration's proposal.

#### ARGUMENTS FOR SIGNATURE

Although Congress exceeded the Administration's proposal, the enrolled bill does represent a reasonable compromise on these issues, particularly in light of the positions taken by this Congress on tax matters. The bill which passed the House, for example, would have cost roughly twice as much as the Administration's proposal and would have practically exempted Americans living abroad from all U.S. income taxation. Where Congress exceeded the Administration's request, the additional tax expenditures are fairly well targeted to helping those Americans who need it the most and who might not otherwise accept jobs in difficult foreign locations.

Major foreign countries do not tax their non-resident citizens at all. U.S. corporations believe that our tax laws should provide at least some recognition of this competitive fact of life. Otherwise, U.S. corporations with American employees will either have greater employment costs and not be as competitive on foreign contracts or else will have to hire foreign nationals instead of Americans. It is further argued that Americans employed in projects abroad are more likely to order U.S. equipment (thereby increasing our exports) than are foreign nationals.

We also have to recognize that the Administration's proposal was considerably tighter than anything Congress was likely to accept.

#### ARGUMENTS FOR VETO

The enrolled bill costs \$158 million more than the Administration proposal. It goes beyond the principle of compensation for extra expenses and includes an element of tax subsidy for some Americans who live abroad, but the subsidy (or incentive) is narrowly targeted to hardship areas.

#### VOTES IN CONGRESS

DECTSION

The bill passed both the House and Senate by voice vote.

#### AGENCY AND STAFF COMMENTS

All the affected agencies recommend approval. Frank, Bob, Jack and I recommend that you sign the bill.

<u>DDCIDION</u>				
	Sign	H.R.	9251	(Recommended)
	Veto	H.R.	9251	

### THE WHITE HOUSE WASHINGTON

#### FOR THE RECORD:

THE FIRST LADY RECEIVED THE ORIGINAL OF THE MEMO ON November 8



# UNITED STATES DEPARTMENT OF THE INTERIOR OFFICE OF THE SECRETARY WASHINGTON, D.C. 20240

fos info

RF

OCT 3 1 1978

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Per your request, we are submitting the following information on the road and utility projects underway at Catoctin Mountain Park.

1. Widening, rerouting, and resurfacing of the main park road for approximately 4.5 miles. This is the road that runs past the entrance to Camp David. This project is to provide a safe park road for visitors and reduce maintenance. The old road was too narrow for current day recreational vehicles; was not designed for the many school buses that bring children to the camps; the turns were too sharp, and the shoulders too narrow. It is also intended to reduce maintenance by putting in larger culverts to carry off the road drainage.

The reason we are relocating the road in the vicinity of the Camp David entrance is to reduce the steepness of the road by rerouting it slightly around the mountain rather than as it is now, over the mountain. This will also reduce the traffic jams that occur on the present road due to people stopping to view the fenced-in area and the entrance to Camp David.

This project began in September 1977 and was to be completed in the fall of 1978. Progress has been delayed by heavy winter snow and inclement weather. Heavy rains in the spring completely closed the project. It is now estimated that work will continue (weather permitting) through the fall of 1979.

It might be of interest to note that the project is one whereby the existing road material is recycled, additional asphalt added, and then placed back down on the road; all as a conservation effort.

2. Construction of a new water system and reservoir for Camp David. This project includes the construction of an underground reservoir approximately ½ mile west of the entrance to Camp David. Most utility construction within the park was begun in 1937. Additions were made through the 1940's and 1950's. Age and obsolescence required replacement of this system, as costs to maintain it have become excessive.

I trust the above adequately responds to your concerns.

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Sincerely,

David F. Hales

Deputy Assistant Secretary

for Fish and Wildlife and Parks

WASHINGTON

1, €: 02 NOV 78

FG. ACTION:

INFO ONLY: THE FIRST LADY

STU EIZENSTAT

PHIL WISE

FRAN VOORDE

SUBJECT: HALES MEMO RE CATOCTIN MOUNTAIN PARK

+ RESPONSE DUE TO BERT CARP

BY:

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

# THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS WASHINGTON

November 8, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

Charlie Schultze

SUBJECT:

The Federal Deficit in Perspective

Your objective of cutting the Federal budget deficit to \$30 billion or less in FY 1980 would bring the deficit to less than one-half its 1976 level (\$66 billion). But as Walter Heller pointed out in the Wall Street Journal yesterday, the reduction is even larger than that when you take into account both the inflation and the economic growth which has occurred in recent years.

Measured as a percent of GNP, the Federal deficit will change as follows:

Calendar y	ear	as % of GND	year 7.
1975		4.6	
1976		3.2	
1977		2.5	
1978	(est.)	1.6	
1979	(proj.)	1.4	
1980	(proj.)	1.0 - 1.1 (approximate)	•

.....

Relative to the size of the economy, the 1980 budget deficit will be less than one-fourth its (calendar) 1975 level.

The economic importance of the deficit depends -- among other things -- on how large it is relative to the size of the economy, rather than its absolute magnitude. To take an extreme example, a \$25 billion deficit in 1980 would not be inflationary, whereas a \$25 billion deficit in 1950 (8.7 percent of GNP) would have been wildly inflationary.

Citing the decline in the Federal deficit as a percent of GNP may not play well in Peoria. Nevertheless, it is a more legitimate measure of the degree to which the budget is moving from stimulus to restraint than the absolute deficit number itself.

(The numbers cited by Heller in the above table were furnished him by CEA. They refer to <u>calendar</u> rather than fiscal years. They are based on the accounting definitions used in the GNP statistics, which are slightly different from those in the usual budget presentation. But these differences do not invalidate the basic point.)

#### WASHINGTON

DATE: 09 NOV 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

HAMILTON JORDAN

JODY POWELL

JIM MCINTYRE

JERRY RAFSHOON

SUBJECT:

CHARLIE SCHULTZE MEMO RE: THE FEDERAL DEFICIT IN

PERSPECTIVE

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY:

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

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# THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS WASHINGTON

November 8, 1978

#### MEMORANDUM FOR THE PRESIDENT

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## THE WHITE HOUSE WASHINGTON

11/8/78

### Richard Pettigrew

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The First Lady Sarah Weddington

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	FROM PRESIDENT'S OUTBOX
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### THE WHITE HOUSE WASHINGTON

#### 11/6/78

#### Mr. President:

Sarah Wedding and Dick Pettigrew suggest that you send the attached letter to Sen. Holloway.

According to Sarah, he is "our only real hope for the necessary 21st vote in the Florida Senate."

Rick

# Electrostatic Copy Made for Preservation Purposes

#### THE WHITE HOUSE

WASHINGTON

October 27, 1978

not me

MEMORANDUM TO:

THE PRESIDENT

FROM:

DICK PETTIGREW

SUBJECT:

Florida ERA Ratification

The Florida ERA ratification issue remains extremely tight. One State Senator, Vernon Holloway of Miami, has been voting against ratification but now appears to be attempting to find a way to change his position. He published the attached newspaper survey in Sunday's Miami Herald.

A representative of the National Women's Political Caucus, Joan McLean, suggested that you execute one of the surveys. I would call Senator Holloway to advise him it is on the way. I think it would help.

If you feel it would be more appropriate, Mrs. Carter might be willing to do it.

Attachment

# THE WHITE HOUSE WASHINGTON

#### To Senator Vernon Holloway

During my recent trip to Miami, I heard of your invitation to the public to comment on the Equal Rights Amendment. While not a resident of your District, I would like to add my view as a citizen who is very concerned about this issue.

America's concern for human rights must begin at home. The rights of citizenship must be protected regardless of sex. It is long past time that this protection be written into the Constitution of the United States.

I believe that in this country no one's opportunities should be limited by anything except that person's talent and initiative. It is for this reason that I support ERA.

With your own support, Florida can give a great impetus to national ratification of ERA. I hope you vote "Yea."

Sincerely,

The Honorable Vernon Holloway Senator of the State of Florida 8181 Northwest 36th Street Miami, Florida 33166 In Preceivalin

# Where do you stand on ERA?

# Senator Vernon Holloway wants to know!!

We have all heard from both sides of the ERA issue. Now, as your elected representatives in the State Senate and Legislature again prepare to address the question of ERA ratification, I would like to know how the people of my district—the 39th Senatorial district, from Miami Springs to Key West—feel about this important Constitutional issue.

Please read and study the exact wording of the proposed Equal Rights Amendment, provided below, fill out the opinion coupon and return it to the address below. Results will be tabulated by an independent survey service.

Thank you for your cooperation.

Senator Vernon Holloway

The Equal Rights Amendment:

"Section 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"Section 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

"Section 3. This Amendment shall take effect two years after the date of ratification."

Your precinct number is required as evidence of your being a registered voter in the 39th District. Only opinions of registered voters in the 39th Senatorial District will be tabulated.

This opinion coupon must be returned by November 1st.

Fill out and return by mail to: ERA Survey c/o RLA Building 141 Sevilla Avenue Coral Gables, Florida 33134

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# THE WHITE HOUSE WASHINGTON November 8, 1978

#### Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Please deliver the attached letter to Sen. Church.

Rick Hutcheson

cc: Attorney General Bell Bob Lipshutz





### THE WHITE HOUSE WASHINGTON

11/7/78

Mr. President:

Lipshutz and Congressional Liaison concur.

Rick



# Office of the Attorney General Washington, A. C. 20530

November 2, 1978

MEMORANDUM FOR:

The President

FROM:

Griffin B. Bell June 13. 13000

Attorney General

SUBJECT:

"Guidelines" under the Foreign

Corrupt Practices Act.

As requested, attached is a proposed response by you to Senator Church's letter of October 13, 1978, in which he indicates deep concern about reports that the Department of Justice will issue "guidelines" under the Foreign Corrupt Practices Act.

You may recall that the Export Policy Task Force, in its report to you, recommended that you direct the Department of Justice to issue guidelines such as those issued by our Antitrust Division clarifying the Foreign Corrupt Practices Act. In our judgment, such guidelines would narrow the scope of the Act. That recommendation was vigorously opposed by the Department within the Task Force. Indeed, Deputy Attorney General Benjamin Civiletti in a memorandum addressed to you outlined the bases for our objection. Subsequent to that memorandum, Assistant Attorney General Philip B. Heymann met with your staff and developed new language for that recommendation which was clearly intended to eliminate the prospect of guidelines or regulations being promulgated by the Department of Justice.

For your information certain segments of the business and legal community chose to read into your statement on Export Policy a suggestion that we would issue guidelines or regulations. The media have picked up this theme and have attempted to portray a division among the Departments of Justice, Commerce and State on this point. Representatives of all three Departments have met and it is apparent that there is no disagreement on objectives. At the present time, one of the options we are jointly considering is the publication of a pamphlet which, in lay language, would explain the new Act and set forth prosecutive priorities.

# THE WHITE HOUSE

November 8, 1978

#### To Senator Frank Church

I have received your letter of October 13, 1978, in which you expressed deep concern about my directive to the Department of Justice to provide guidance to the business community concerning enforcement priorities under the Foreign Corrupt Practices Act of 1977.

As I stated when I signed the Act on December 20, 1977: "I share Congress' belief that bribery is ethically repugnant and competitively unnecessary. Corrupt practices between corporations and public officials overseas undermine the integrity and stability of governments and harm our relations with other countries." In accordance with these views, the Attorney General will be strictly enforcing the new Foreign Corrupt Practices Act, and allocating sufficient investigative and prosecutorial resources to vigorously carry out that task.

In my export policy statement of September 26, 1978, I indicated that the "Justice Department will provide guidance to the business community concerning its enforcement priorities under the recently enacted foreign antibribery statute." That statement was intentionally worded to avoid any suggestion that this Administration would provide "guidelines" or regulations, the effect of which would be to narrow the scope of the Act or condone, however tacitly, any corrupt payments. I certainly agree with you that that would not serve either the economic or the political long-term interests of this country.

I anticipate that the guidance to the business community which will be provided by the Justice Department will be designed to enlighten and educate the American businessman operating overseas regarding the requirements and proscriptions of the new antibribery statute. You may be assured that the Justice Department will certainly not, in the name of "guidance", provide a road map for companies on how safely to evade the law and to engage in the bribery of foreign officials.

I have directed the Department of Justice to keep you and your colleagues in the Senate, as well as the appropriate committees in the House of Representatives, fully informed of any action that the Department of Justice intends to take in this matter.

Sincerely,

Timung

The Honorable Frank Church United State Senate Washington, D.C. 20510

ID 785594

THE WHITE HOUSE

WASHINGTON

DATE:

30 OCT 78

FOR ACTION: SARAH WEDDINGTON - Hanh

INFO ONLY: THE FIRST LADY

PETTIGREW MEMO RE FLORIDA ERA RATIFICATION SUBJECT:

- + RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
- BY: 1200 PM WEDNESDAY 01 NOV 78

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

ID 785594

#### THE WHITE HOUSE

#### WASHINGTON

DATE:

30 OCT 78

FOR ACTION: SARAH WEDDINGTON

INFO ONLY: THE FIRST LADY

SUBJECT: PETTIGREW MEMO RE FLORIDA ERA RATIFICATION

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)

+ BY: 1200 PM WEDNESDAY 01 NOV 78

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

It would be nice to do, but I suggest that a note be added to the extent that although the President is not in Holloway's district, he wanted, as an interested citizen, to let Holloway know of his support for the ERA and that he would hope Senator Holloway would support it also.

Senator Holloway is our only real hope for the necessary 21st vote in the Florida Senate.

## THE WHITE HOUSE WASHINGTON

11/8/78

#### Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling:

The signed original has been given to Bob Linder for distribution.

Rick Hutcheson

cc: Tim Kraft Arnie Miller Bob Linder



# OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

8 NOV 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

Jim McIntyre

SUBJECT:

Revision of Memos to Affected Agencies on

I.G. Implementation and Appointments

The changes we discussed on the phone this morning have been incorporated. Tim Kraft concurs.

Attachment

#### THE WHITE HOUSE

#### WASHINGTON

MEMORANDUM FOR: The

The Secretary of Agriculture

The Secretary of Commerce

The Secretary of Housing and Urban Development

The Secretary of Interior
The Secretary of Labor

The Secretary of Transportation

The Director, Community Services Administration

The Administrator, Environmental

Protection Agency

The Administrator of General Services

The Administrator, National Aeronautics

and Space Administration

The Administrator, Small Business Administration

The Administrator of Veterans Affairs

SUBJECT:

Implementation of the Inspector General Act

One of the highest priorities of my Administration is the detection and prevention of fraud, waste, and inefficiency in the operation of Federal programs. As you know, I take very seriously our obligation to conduct the public's business with the utmost integrity.

On October 12 I signed a bill establishing Offices of Inspectors General in each of your departments and agencies. It places under these officials virtually all of your audit and investigative resources. I would like to select these Inspectors General personally and send their names to the Senate for confirmation as soon as possible. Therefore, please suggest at least three candidates of exceptional integrity and ability to me without delay. I will also seek the names of potential appointees from other sources.

I also want to ensure an early, well-coordinated effort to establish the new offices. I am therefore asking Jim McIntyre to see which present resources and functions should be assigned to the new offices and to set the process up quickly and efficiently.

Timuy

### THE WHITE HOUSE WASHINGTON

11/8/78

#### Arnie Miller

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Originals have been given to Bob Linder for action.

Rick Hutcheson

cc: Tim Kraft Bob Linder

# Electrostatic Copy Made for Preservation Purposes

#### THE WHITE HOUSE

WASHINGTON

November 8, 1978

MEMORANDUM FOR:

JSE
A More book.

1978

THE PRESIDENT

FROM:

ARNIE J. MILLER

SUBJECT:

Presidential Appointments

I recommend that you appoint the following-named persons to be Members of the President's Commission on the Holocaust. (New Positions).

I recommend your approval of the letters for these appointments:

Yes

No

All necessary checks have been completed.

Messrs. Lipshutz, Eizenstat, and Saunders recommend these appointments. You approved these appointments on September 18 and October 24.

#### Chairman and Member

Elie Wiesel, of New York, is recognized United States authority and tireless educator on the Holocaust period.

#### Members

Hyman Bookbinder, of Bethesda, Washington Representative for the American Jewish Committee.

Robert McAfee Brown, of California, Professor of Ecumenics and World Christianity at the Union Theological Seminary.

Gerson D. Cohen, of New York, President of the Jewish Theological Seminary.

Lucy S. Dawidowicz, of New York, author of The War Against the Jews, a 1975 history of the Holocaust.

ointments

# THE WHITE HOUSE WASHINGTON

#### To Elie Wiesel

Earlier this year, at a reception in honor of the 30th Anniversary of the establishment of the State of Israel, I noted that there is no national memorial in the United States in memory of the victims of the Holocaust and that I would establish a commission to advise me on the creation of such a memorial. I hereby appoint you as Chairman and a Member of the President's Commission on the Holocaust.

 I hope the Commission will recommend an appropriate memorial for this country to insure that we in the United States never forget.

You have my strong support in this mission.

Sincerely,

Mr. Elie Wiesel 239 Central Park, West New York, New York 10024

# THE WHITE HOUSE WASHINGTON 11/8/78

The Vice President
Hamilton Jordan
Stu Eizenstat
Tim Kraft
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Anne Wexler
Jim McIntyre
Jerry Rafshoon
Hugh Carter

Re: Cabinet Summaries

The attached were returned in the President's outbox today and are forwarded to you for your personal information.

Rick Hutcheson

EYES ONLY

## THE WHITE HOUSE WASHINGTON

11/8/78

#### Charles Warren

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

Hectrostatic Copy Made for Preservation Purposes

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY

722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006

Charles.

The Jun generally apposed to these large sand moving projects
1978

November 3, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

Charles Warren

Gus Speth Jane Yarn

SUBJECT:

Weekly Status Report

1. Hiring Freeze. At our bi-monthly meeting with the environmental groups this week we explained relevant aspects of your inflation policy and answered questions concerning it. There was general understanding of the need and purpose of the Regulatory Council. However, they are seriously concerned that the hiring freeze might be interpreted to prevent the employment of necessary personnel to implement recently enacted programs such as Toxic Substances Control Act, Safe Drinking Water Program, and Clean Air Act Amendments, which have a large number of new vacancies which are not yet filled and which were authorized in the 1979 Budget.

2. Fire Island National Seashore Referral. In our status report last week, you requested a one-page assessment of the Corps of Engineers proposed Long Island beach erosion control and hurricane protection project. An assessment is attached as Tab A.

### Assessment of the Corps of Engineers Proposal for Long Island Beach Erosion Control

In 1960, Congress authorized a Corps of Engineers proposal to build a  $25 \times 16$  foot dune along 83 miles of Long Island's southern barrier beach to slow erosion and to shield developed and undeveloped areas from storm flooding. Construction of the project would have required more than \$100 million of federal funds, between 48 and 80 million cubic yards of sand dredged mainly from the ocean, and up to 50 groins. These estimates do not include the resources required for maintaining the system; federal participation in maintenance operations was initially authorized for 10 years.

The project lay dormant until severe winter storms in 1975-76 produced local support for the project. After the final environmental impact statement was filed last March, Interior referred the matter to us, asserting that the proposal was environmentally unsatisfactory because it would permanently and adversely alter the barrier islands, beach, and related ecosystem for 83 miles. Interior also considered the project to be inconsistent with the law establishing the Fire Island National Seashore, which comprises one—third of the project area. The stated purpose of the National Seashore is to conserve and preserve the relatively undeveloped beaches, dunes, and other natural features of the seashore. Commerce and EPA also expressed major concerns with the proposal's dredge sites and the effect on shellfish and wetlands along the shore; these agencies participated in the referral process.

We met with and reviewed submissions by the disputing agencies. We then sent a letter to the Chief of Engineers requesting that the proposal be thoroughly revised, using more recent and more specific data. We recommended that the Corps seriously consider several alternatives, such as removing existing groins and placing sand by-passes at inlets. We also recommended that the Corps determine the extent to which it could condition federal assistance on local efforts to control development on the barrier beach.

The Corps, as well as Interior, Commerce and EPA, agreed to pursue our recommendations and are now working together to reformulate the proposal. The revision of the overall proposal is expected to take several years.

This resolved a major interagency environmental dispute which we were able to accomplish as a result of instructions contained in your Executive Order 11991.

In the meantime, the four agencies, with CEQ's guidance, are developing a plan to repair the existing dunes and beach on a severely eroded area five miles long at Westhampton Beach, which would be an interim action and would not prejudice substantial revision of the overall proposal. It is this segment of the overall project which has generated the most Congressional interest; we believe this interim action will respond to their immediate concerns.

## THE WHITE HOUSE WASHINGTON

11/8/78

### Secretary Kreps

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Zbig Brzezinski

# Electrostatic Copy Made for Preservation Purposes

# THE SECRETARY OF COMMERCE WASHINGTON, D.C. 20230

Juanita

November 3, 1978

REPORT TO THE PRESIDENT

Mike Blumenthal for the December 4-6 meeting in Moscow of the Joint
U.S.-USSR Commercial Commission. Because of the short time remaining
before this meeting, I am concerned about the progress of the current
interagency policy review concerning the exporting of oil and gas equipment
and technology to the Soviet Union. I believe it is essential that by
the end of November the Administration resolve its policy with respect
to controlling the export of oil and gas equipment. Specifically, we
need to accelerate that portion of the NSC study that deals with Soviet
oil and gas capabilities. Otherwise our expressions of a desire for
expanded trade may have to be unnecessarily qualified, which would
jeopardize the success of the Commission meeting.

At this time last year the Department instituted progressively lower quotas on porpoise mortality incidental to tuna fishing for 1978, 1979, and 1980. Vessel operators, labor unions, and canning companies feared that the lower quotas would overly restrict tuna fishing and result in severe economic penalities. I am pleased to report that porpoise mortality since January 1 has been only 24% of the 1978 quota. This has resulted from favorable fishing conditions, diligent efforts by the tuna fleet, use of protective gear developed by NOAA's National Marine Fisheries Service, and the implementation of special procedures.

juanita M. Kreps

## THE WHITE HOUSE WASHINGTON

11/8/78

#### Secretary Adams

The attached was returned in the President's outbox and is forwarded to you for appropriate handling.

Rick Hutcheson



# THE SECRETARY OF TRANSPORTATION WASHINGTON, D.C. 20590 November 3, 1978

Brock.
Support IEC in
dereg efforts.

MEMORANDUM TO: The President

ATTENTION:

Rick Hutcheson

FROM:

Alan Butchman, Acting Secretary

SUBJECT:

Significant Issues for the Week of October 30

Trucking Regulatory Reform - On Tuesday, October 31, an inter-agency meeting was held at DOT to discuss the government-wide coordination of trucking regulatory reform. Among those in attendance were myself and Jack Fearnsides of DOT, Mary Schuman, Alfred Kahn, Harrison Wellford, William Nordhaus, and John Shenefield of DOJ. As a result of this meeting, the Department of Transportation will coordinate the preparation of a Presidential decision memorandum.

Continuation of Transportation Site Reviews - Secretary Adams is spending this week with public officials reviewing transportation matters. On Wednesday he met with Governor Carroll of Kentucky and addressed the American Association of State Highway Transportation Officials who are meeting in Louisville. On Thursday he joined Congressman Ashley for a meeting of the Great Lakes Task Force in Cleveland, Ohio, and dedicated a new Minority Business Outreach Center with Congressman Stokes and Lieutenant Governor Celeste. This morning he joined Congressman Bonior for a meeting with Detroit officials on regional transportation and handicapped transportation needs. Later today he will attend a gathering honoring Congressman Lloyd Meeds in Everett, Washington, and tomorrow will travel with Congressional candidate Mike Lowry.

Surface Transportation Administration Proposal - On Thursday, November 9, Secretary Adams will announce draft proposals to establish a Surface Transportation Administration which would consolidate programs currently administered by the Federal Highway Administration and the Urban Mass Transportation Administration. The proposal would help meet your government reform goals of reducing red tape while improving the delivery of transportation programs. This announcement will launch a major consultation effort designed to solicit the views of public interest groups, Members of Congress, state officials and other interested parties before final proposals are prepared. I have briefed Bill Johnston of your Domestic Policy Staff and Harrison Wellford of your reorganization staff on the specifics of our proposal.

U.S.-Germany Bilateral Aviation Agreement - In keeping with your airline regulatory reform objectives, on November 1 we signed a far-reaching aviation protocol with the German Government. This protocol provides that fares, rates, and airline charter rules will be subject to the sole control of the country where the flight began. Both sides can designate any number of airlines without capacity restrictions, and U.S. airlines can fly from anywhere in the U.S. to Germany with open stops in between and beyond. The protocol goes into effect immediately, and will be developed into a formal bilateral agreement within six months.

### THE SECRETARY OF THE TREASURY WASHINGTON 20220

F.Y.I.

November 3, 1978

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

#### 1. REACTION TO WEDNESDAY'S ANNOUNCEMENT ON THE DOLLAR

Public reaction here and abroad, has been very favorable. The general assessment is that we are now seriously committed to an effective anti-inflation program and a sound dollar. From many quarters praise is accompanied by expressed hopes that we will stick to our guns in moderating the growth of the monetary aggregates.

The stock and bond markets reacted very positively to the program. An unprecedented week-long collapse of stock prices was halted and converted into a record rise of 35 points on the first day of the program. The markets will now begin focusing less on the package than on the likely course of the domestic economy. This will mean the usual (and unpredictable) fluctuations, but I think we have succeeded in removing the element of panic -- extreme pessimism and total uncertainty -- from the market.

The dollar has strengthened very substantially since the announcement -- 10 percent against the DM, 9.5 percent against the Swiss franc, and 7 percent against the yen from its low point early Tuesday to the end of the day on Thursday. The market has tested our intervention intentions. We have entered the market heavily at times and we can expect further pressure. We are proceeding rapidly to get the various elements of the program in place.

#### 2. EPG

With Mr. Kahn's arrival, the EPG Steering Group (which meets at least weekly) has been streamlined down to Mike, Charlie Schultze, Jim McIntyre, Fred Kahn and Stu Eizenstat. Other EPG members will be invited to larger meetings, on an issue-by-issue basis. Your core economic advisers think this restructuring is necessary to plan the January economic program

in an efficient way. The structure provides a small group to schedule the flow of staff work, while insuring that no Cabinet member is excluded from issues of interest to him or her.

Next week the new Steering Group meets to continue planning for January, while a larger EPG group will review the MTN negotiations at Cabinet level.

Robert Carswell Acting Secretary



#### DEPARTMENT OF AGRICULTURE OFFICE OF THE SECRETARY WASHINGTON, D. C. 20250



November 3, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson Staff Secretary

SUBJECT: Weekly Report

TRAVEL. Secretary Bergland left October 31 for a 17-day trip to China. He will spend 11 days in Peking meeting with Chinese agricultural and foreign trade ministers. The Secretary will return November 16.

FARM PRICES. October Index of Prices Received by Farmers up nearly 1% from September--about 23% higher than October 1977.

WHEAT CROPS IN ARGENTINA AND AUSTRALIA. Argentine Secretary of Agriculture predicts 1978-79 wheat crop will be 7.5-8 million tons compared with 5.3 million tons during last growing season. Australian Bureau of Agricultural Economics raised second forecast for 1978-79 wheat crop to 13.8 million tons, up from 12.5 million tons.

JAPAN/U.S. FARM PRODUCT TRADE PACT. Latest Japan-U.S. trade agreement calls on Japan to enlarge import quotas for quality beef from current 16,000 tons to 30,000 tons by 1983. Import quotas for oranges will be enlarged to 65,000 tons from 45,000 tons by 1980. Also agreement in principle on U.S. demand to cut tariffs on 37 export items including pork, eggs, chicken, and lumber.

CAROL TUCKER FOREMAN Acting Secretary

# Electrostatic Copy Made for Preservation Purposes



### Office of the Attorney General Washington, A. C. 20530

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November 3, 1978

Principal Activities of the Department of Justice for the week of October 30 through November 3, 1978

### 1. Recent Seizures and Arrests by the Drug Enforcement Administration:

During the period of slightly more than one month, from September 15 to October 17, 1978, drug seizures and arrests reached an all-time high. The following seizure and arrest statistics were achieved:

Unilateral DEA & DEA Cooperative Efforts	Foreign Efforts Independent of DEA Efforts
Heroin - 553 lbs. Cocaine - 443 lbs. Hashish - 16,213 lbs. Marihuana - 82,420 lbs. Methamphetamine - 15 lbs. Clandestine Labs- 14 Arrests - 478 defendants	Heroin - 114 lbs. Cocaine - 95 lbs. Hashish - 2,376 lbs. Arrests - 22 defendants
Seizures referred to DEA	Total Seizures and Arrests
Cocaine - 140 lbs. Marihuana - 79,640 lbs. Arrests - 48 defendants	Heroin - 667 lbs. Cocaine - 678 lbs. Marihuana - 162,060 lbs. Arrests - 548 defendants

#### 2. Law Enforcement Assistance Administration

On November 2, the Attorney General swore in Henry Dogin as Deputy Administrator of LEAA. Mr. Dogin began serving immediately as Acting Administrator of LEAA. (Norval Morris, the President's nominee for that post, has not been confirmed by the Senate.) James Gregg, a career civil servant in LEAA was awarded an Attorney General's Medallion for his outstanding work as Acting Administrator of LEAA over the past 20 months.

#### 43. U.S. Attorneys Offices and Election Day

The Attorney General has instructed the 95 United States Attorneys Offices to remain open on election day, November 7, until all polls are closed, for the purpose of receiving and monitoring any complaints from voters that might indicate violations of federal law.

C

November 3, 1978

#### MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

- Trip to Europe and Middle East: On Tuesday night, I will leave for 12 days in Poland, Israel and Egypt, and Hale Champion will be Acting Secretary through November 20.
  - -- At the invitation of Poland's Minister of Health, I will review U.S.-Polish activities in health care and I will sign a joint communique which provides for increased cooperation, especially regarding the rehabilitation of the disabled.
  - -- In Israel, I will sign a memorandum of understanding with the Minister of Education and
    Culture which calls for increased cooperation in
    education and which emphasizes education of the
    disadvantaged and handicapped at all age levels.
    I also expect to sign a joint communique with the
    Minister of Labor and Social Affairs, calling for
    the start of formal negotiations to develop a
    Social Security Agreement similar to ones we have
    signed with Italy and West Germany.
  - -- I will review cooperation in the health area with the Egyptian Minister of Health, and I hope to sign an agreement for a \$25 million urban health project financed by the Agency for International Development. I will also sign an agreement for a \$500,000 HEW-funded project to develop, implement, and evaluate emergency medical services.
- Sterilization: On Wednesday, November 8, we will publish final regulations which dramatically tighten the protection of individuals against uniformed or coerced sterilizations paid for by HEW funds. The regulation establishes strict procedures for doctors

performing sterilizations, details the information and consent form that people must be given before agreeing to the operation, and provides for strict enforcement. We are launching an extensive campaign to provide information to disadvantaged and miniority individuals.

Joseph A. Califano, Jr.

MEMORANDUM FOR: The President

Attention: Rick Hutcheson

SUBJECT: Weekly Report of Major Departmental Activities

44 Small Cities Receive \$35 Million in Action Grants. This week the Department awarded \$35 million to 44 small cities under the Urban Development Action Grant program. The joint public/private development projects are expected to create 7,628 new permanent jobs, save 941 existing jobs and provide 4,700 jobs for construction workers. The Federal portion leverages over \$237 million in private financial commitments. In the past year, the Action Grant program has made \$95.7 million available to 109 projects in 105 small cities, creating 25,728 new jobs, saving 3,141 existing jobs and generating 14,224 construction jobs. A total of \$818 million in private investment has been committed.

New Approach for Housing the Elderly. A grant of \$655,000 has been awarded to the City of Pittsburgh, Pennsylvania, to acquire at least twenty existing housing units in the City's North Side neighborhood as residences for the elderly. The City and State will contribute additional funds for renovation and conversion of the residences into "residential clubs." Costs of managing the housing and providing supportive social and health systems will be shared by the residents. The "residential club" approach is being tested as one means of avoiding displacement and unnecessary institutionalization of the elderly as neighborhood revitalization occurs. The growing problem of displacement caused by urban revitalization and the human suffering which accompanies it prompted the Department recently to condition receipt of Community Development Block Grant funds by the District of Columbia. It is the first time the Department has required a city to develop a plan for relocation of persons who are displaced by government action before we release Community Development Block Grant funds to the City. The District of Columbia submitted a plan on November 1 which is currently under review by HUD.

FIA Reduces Flood Insurance Waiting Period. As of October 30, coverage under the National Flood Insurance program can now be effective within five days after the date of application for insurance. Under the previous requirement, insurance could be effective only after a 15-day waiting period. The reduction in the waiting period should make the insurance more attractive without any unusual risk.

New Computerized Underwriting Processing System Test Successful. As a result of a highly successful pilot test, the new Computerized Underwriting Processing System will be implemented nationally. In the test, conducted in the Atlanta Area Office, a seven-month backlog of information about the ability of the market to absorb new multi-family housing was processed in three and a half days. Using the new computer system, the Department can reduce the processing time for such information from approximately 135 hours to approximately 45 minutes. The availability of this type of information on a timely basis will enable field offices to more quickly process applications for mortgage insurance.

Patricia Roberts Harris

# THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS WASHINGTON 20506

2

November 3, 1978

MEMORANDUM FOR THE PRESIDENT

From:

Ambassador Robert S. Strauss

Subject: Weekly Summary

I met with Japanese Minister for External Affairs Ushiba earlier this week. We reviewed the progress that had been made on both the MTN and the other issues covered in our communique of last January. We have, in fact, made progress with the Japanese for the longer term in their MTN commitments, but the bilateral trade figures are currently very bad and will take some time to improve. These next few weeks precede the Fukuda's Liberal Democratic Party leadership elections of December 1 and are very sensitive for them. This prevented this week's session from being very productive.

Plans are now set for me to visit Paris, Brussels, Bonn and Copenhagen the last half of next week to try to get the MTN back on track in face of the countervailing/subsidies problem. I would rate the chances of success on this trip at no better than 50/50. I have a separate memo in to you on this subject.

Your remarks at the St. Louis forum were effective -- as a matter of fact, the forum itself proved to be even better than I had expected. Lee Kling tied together labor, business, and the general community perfectly. I am taking the liberty of transmitting with this some reading material for you to scan giving you a feel of what can be done when the Administration takes its case out of Washington to the people.

Attachment

### Community WASHINGTON, D.C. 20506 Services Administration



#### MEMORANDUM TO THE PRESIDENT

November 3, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM:

Graciela (Grace) Olivarez, Director Community Services Administration

SUBJECT:

Weekly Report of Significant Agency Activities

(October 30 - November 3, 1978)

Job Training Program For Natchitoches, Louisiana

As a result of a unique partnership between federal agencies, the Operating Engineers Union and the City of Natchitoches, Louisiana, a ground breaking ceremony for an industrial park will be held in Natchitoches on November 6, 1978. The development of the park will offer 50 low-income Natchitoches residents the opportunity to receive pre-apprenticeship training for construction jobs. The trainees, who will be referred to the Department of Labor Recruit Training Program by the Natchitoches Economic Development Corporation, will assist with the park and other public works projects for six months. They then will be accepted into the Operating Engineers Union's regular apprenticeship program and will work in the Red River Waterway Project, funded by the Army Corps of Engineers. The Operating Engineers Union has given their local a \$200,000 grant to assist with the training program.

#### Refusal to Refund

The Community Services Administration (CSA) has decided to refuse the refunding application of the Community Action Agency in Kansas City, Missouri. CSA assessed the program in 1977 and made recommendations as to how the CAA could become more effective. Because several important recommendations were not adopted, CSA decided not to refund the program.

Solar Energy Wall for New York's Lower East Side

New York City's first passive solar energy wall has just been installed by a group of young Blacks and Puerto Ricans in order to heat the gym at their community center at 9 Second Avenue. The youth, part of a group called CUANDO (Culturas Unidas Aspirando Nuestro Destino Original/Cultural Understanding and Neighborhood Development Organization) are funded by a CSA grantee, the National Center for Appropriate Technology. The passive wall system, which differs from an active system in that it requires no electrical input, was designed by another CSA grantee, the Energy Task Force, a non-profit corporation of energy architects, engineers and educators. The wall will cool the gym in the summer.



# THE SECRETARY OF THE INTERIOR WASHINGTON

November 3, 1978

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#### MEMORANDUM TO THE PRESIDENT

From:

Secretary of the Interior

Subject:

Major Topics for the Week of October 30

The Alaska land protection plan is on schedule for early December implementation. The final EIS will be out on November 27th, and we will move for interagency review as determined with your staff.

In fiscal year 78, we increased our minority business procurement contracts from 77 million dollars to 165 million dollars. I set a goal for FY-78 at 10% of our total and we achieved 12 1/2%. This year's goal is 15%.

I believe that Tuesday will be another good day for the Administration.

CECTL D. ANDRUS

#### WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Moore & Eizenstat to Pres. Carter, w/attachme 2 pp., re:Tax Bill	nts 11/3/78	A
Cabinet Summaries	H. Brown to Pres. Carter, 3 pp., re:Defense activities	11/3/78	A
Cabinet Summaries	A. Young to Pres. Carter, 1 pg., re:UN activities	10/27/78 <del>-</del> 11/3/78	A

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File 11/8/78 [1] Box 108

#### RESTRICTION CODES

- (A) Closed by Executive Order 12358 governing access to national security information.
   (B) Closed by statute or by the agency which originated the document.
   (C) Closed in accordance with restrictions contained in the donor's deed of gift.

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